

BY-LAWS OF THE TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

ARTICLE I – TITLE AND POWERS

Section 1. Name of the Agency. The name of the Agency, as designated by Chapter 447, Laws of 1967 of the State of New York, as amended by Chapter 206, Laws of 1978 of the State of New York is the “Town of North Hempstead Community Development Agency.”

Section 2. Powers of the Agency. The powers of the Agency, as prescribed by Chapter 447, Laws of 1967 of the State of New York, as amended by Chapter 206, Laws of 1978 of the State of New York, are as follows:

“A community development agency, to be known as the Town of North Hempstead Community Development Agency, is hereby established for the accomplishment of any or all of the purposes specified in articles fifteen and fifteen-A of this chapter and in accordance with article eighteen of the constitution of the State of New York. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the power and duties now or hereafter conferred by article fifteen-A of this chapter upon municipal renewal agencies. It shall be organized in the manner prescribed by and be subject to the provisions of article fifteen-A of this chapter and the agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of such article.”

Section 3. Members of the Agency.

A. The Agency shall consist of five Members (collectively, “Members”, and individually, a “Member”), all appointed by the Town Board of the Town of North Hempstead, New York, (the “Town Board”) in accordance with the provisions of Section 553, Article 15-A of the General Municipal Law of the State of New York. All Members serve at the pleasure of the Town Board.

B. Each Member shall be at least twenty-one (21) years of age and shall meet the requirements of the PAAA and other applicable law.

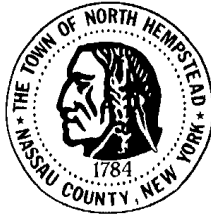
C. The majority of the Members will be “Independent Members.” For purposes of these By-Laws, the term “Independent Member” means a Member who: (1) is not, and in the past two years has not been, employed by the Agency (or an “Affiliate” of the Agency) in an executive capacity; (2) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Agency or received any other form of financial assistance valued at more than \$15,000 from the Agency; (3) is not a relative of an executive officer or employee in an executive position of the Agency (or an “Affiliate” of the Agency); and (4) is not, and in the past two years has not been, a lobbyist registered under a state or

local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency (or an “Affiliate” of the Agency).

1. For purposes of the By-Laws, the term “Affiliate” means a corporate body having substantially the same ownership or control as the Agency.

2. For purposes of these By-Laws, the term “Relative” means an individual’s spouse, child, stepchild, stepparent, or any person who is a direct descendant of the grandparents of the individual or of the individual’s spouse.

Section 4. Seal of the Agency. The seal of the Agency shall be in the form of a circle and shall bear the inscription “Town of North Hempstead Community Development Agency, New York” and the year of its formation, similar to the reproduction shown below:



Section 5. Office of the Agency. The principal office of the Agency shall be at 51 Orchard Street, Roslyn Heights, NY 11577, and the Agency may have such other office or offices as may be deemed fitting and appropriate and as the Agency may, from time to time, designated by resolution.

Section 6. PAAA and PARA. The Agency will be subject to the New York Public Authorities Accountability Act of 2005, as amended from time to time (the “PAAA”) and the Public Authorities Reform Act of 2009 (the “PARA”). As such, the Agency will be required to, among other things: (1) undergo annual independent audits and submit the results of such audits to the Town Board of the Town of North Hempstead and the New York State Authority Budget Office, (2) prepare and submit its annual budget to the Town Supervisor of the Town of North Hempstead, the Comptroller of the Town of North Hempstead, the Town Board of the Town of North Hempstead and the New York State Authority Budget Office, not more than ninety days and not less than sixty days before the commencement of the Agency’s fiscal year (3) adopt the various ethical, reporting, property disposition, disclosure and other policies required by the PAAA and PARA, (4) form governance and audit committees to ensure the Agency is in compliance with the PAAA and PARA and any other applicable laws, and (5) otherwise comply with the requirements of the PAAA and PARA.

ARTICLE II - OFFICERS AND DUTIES

Section 1. Officers. The officers of the Agency shall be a Chairperson, a Vice-Chairperson, a Treasurer, a Secretary and such other officers as the Members shall elect or appoint. The Secretary and Treasurer need not be Members.

Section 2. Election of Officers. The officers of the Agency shall be elected annually by the Members at the annual meeting of the Members.

Section 3. Terms of Officers. All officers to be elected shall hold office for a term of one year or until their successors are duly chosen and qualified or until removed as hereinafter provided.

Section 4. Removal of Officers. Any officer of the Agency may be removed either with or without cause by the majority of the Town Board.

Section 5. Duties and Powers of Officers. In addition to such duties and powers as the Members may confer by Resolution, the duties and powers of the officers of the Agency shall be as follows:

A. Chairperson. The Chairperson shall:

- (1) preside at all meetings of the Agency at which the Chairperson is present.
- (2) present at each annual meeting of the Agency a report of the condition of the business and affairs of the Agency.
- (3) call regular and special meetings of the Agency in accordance with these By-Laws.
- (4) execute all deeds conveying real property owned by the Agency to redevelopers, municipal agencies, public utilities or other appropriate grantees of such real property, and execute all leases of real property owned by the.
- (5) execute all promissory notes, bonds or other evidences of indebtedness issued by the Agency.
- (6) see that all books, reports, statements and certificates required by statute are properly kept, made and filed according to law.
- (7) make emergency appointments to the staff and fix the salary of same during the period of emergency.

- (8) enforce these By-Laws and perform all duties incidental to the position of Chairman, which are required by law, and generally supervise the affairs of the Agency.

Vice-Chairperson. During the absence or inability of the Chairperson to perform their duties or exercise their powers as set forth in these By-Laws, or in the laws under which the Agency is organized and in being, the Vice-Chairperson shall perform the duties of the Chairperson, and, when so acting, shall have all the powers and be subject to all the responsibilities hereby given or imposed upon the Chairperson.

B. Treasurer. The Treasurer shall :

- (1) make and sign such reports, statements and instruments as may be required by the Members or by the laws of the United States or of the State of New York.
- (2) oversee the Executive Director in the performance of the all bookkeeping, financial management, and accounting functions.
- (3) perform all duties incident to the office of Treasurer of the Agency.

C. Secretary. The Secretary shall:

- (1) keep the minutes of all meetings of the Agency.
- (2) give and serve all notices required by law or by these By-Laws.
- (3) be the custodian of the records and seal of the Agency, and shall affix the seal to all Agency documents, certificates and other papers of the Agency when required.
- (4) perform all the duties incident to the office of Secretary of the Agency.
- (5) during the absence of the Secretary, or the inability of the Secretary to perform their duties as set forth in these By-Laws, an Assistant Secretary appointed by the Members shall assume the duties of the Secretary.

D. Chief Executive Officer. The Chief Executive Officer will be appointed by the Members, and will be the chief executive officer of the Agency. The Executive Director shall perform the duties of the Chief Executive Officer

1. The Chief Executive Officer will have general supervision over the administration of the business and affairs of the Agency, subject to the direction

of the Members. Whenever possible, the Chief Executive Officer will attend each meeting of the Members, and will submit such recommendations and information to the Members as the Chief Executive Officer may consider proper concerning the business, affairs and policies of the Agency.

2. The Chief Executive Officer will be charged with the management of all projects of the Agency.

3. The Chief Executive Officer will also serve as the Contracting Officer (as such term is defined in the PAAA) of the Agency, and, as such, be responsible for (1) the disposition of property of the Agency, and (2) the Agency's compliance with the Agency's property use and disposition guidelines.

4. Every annual financial report of the Agency must be certified in writing by the Chief Executive Officer that based on the Chief Executive Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Agency as of, and for, the periods presented in the financial statements.

E. Chief Financial Officer.

1. The Chief Financial Officer will have the care and custody of all funds of the Agency and will deposit the same in the name of the Agency in such bank or banks as the Members may select or, if the Members have not so selected a bank or banks, which the Chief Financial Officer selects.

2. The Chief Financial Officer will keep regular books of accounts showing receipts and expenditures, and will render to the Audit Committee at each regular meeting thereof an account of such transactions and also of the financial condition of the Agency.

3. The Chief Financial Officer will give such bond for the faithful performance of his duties as the Agency may determine.

4. Every annual financial report of the Agency must be certified in writing by the Chief Financial Officer that based on the Chief Financial Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly

presents in all material respects the financial condition and results of operations of the Agency as of, and for, the periods presented in the financial statements.

F. Other Officers. All other officers shall perform such duties and have such powers as may be assigned to them as the Members shall by Resolution determine.

G. Vacancies. Should any vacancy among the officers occur by death, resignation or otherwise, the same shall be filled by the Members at an ensuing meeting.

H. Bond. The Members shall determine by Resolution the officers, if any, who will be required to give the Agency an approved surety bond for the faithful discharge of their duties and the amount of such bond.

ARTICLE III - MEMBERS AND THEIR DUTIES

Section 1. Meetings. Members shall attend all general and special meetings of the Agency when duly called upon to do so.

Section 2. Availability. Members shall make themselves available from time to time, as the occasion may arise, to meet with prospective redevelopers, to attend public hearings, and to confer with public officials and public agencies at local, state and federal levels of government. They shall be eligible to attend meetings of Urban Renewal and Community Development officials throughout the country and to secure reimbursement for their reasonable expenses covering such attendance and for necessary travel, in accordance with the administrative rules and regulations applicable.

Section 3. Checks and Vouchers. Each Member is authorized to sign all checks of the Agency when a proper and authorized voucher is presented to them, but only when such check is duly countersigned by the Executive Director, or in the event of the absence of the Executive Director or the Executive Director's inability or refusal to act, when such check is duly countersigned by a Member.

Section 4. Duties of Members and Training Requirement. The Members constitute the governing body of the Agency and will have and will responsibly exercise all of the powers prescribed by applicable law, including but not limited to PAAA and PARA, including the election of all Officers.

A. The Members will appoint a Chief Executive Officer and a Chief Financial Officer of the Agency, neither of whom will be a Member.

B. Every annual financial report of the Agency must be approved by the Members and provided to the Town Board of the Town of North Hempstead.

C. The Members will: (1) execute direct oversight of the Chief Executive Officer of the Agency and other senior management of the Agency in the effective and

ethical management of the Agency; and (2) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Agency.

D. The Members will not, directly or indirectly, including through a subsidiary, extend or maintain credit or arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, Member or employee (or equivalent thereof) of the Agency.

E. Members will file annual financial disclosure statements with the Board of Ethics of the Town of North Hempstead.

F. Individuals newly appointed as Members of the Agency must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment as Members. Members who have already completed state approved training will participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

G. Members shall perform each of their duties as Members in good faith and with that degree of diligence, care and skill which an ordinarily prudent person in like position would use under similar circumstances, and may take into consideration the views and policies of any elected official or body, or other person and ultimately apply independent judgment in the best interest of the Agency, its mission and the public.

H. Members shall execute an acknowledgment, in the form prescribed by the Authorities Budget Office, in which the Director acknowledges that he or she understands his or her role and fiduciary responsibilities and acknowledges that he or she understands his or her duty of loyalty and care to the Agency and commitment to the Agency's mission and the public interest.

Section 5. Interested Members and Officers. No contract or other transaction between the Agency and one or more of its Members or Officers, or between the Agency and any other Agency, firm, association or other entity in which one or more of its Members or Officers are Members or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such Member or Members or Officer or Officers are present at the meeting of the Members, or of a committee thereof, which authorizes such contract or transaction, or that his/her or their votes are counted for such purpose:

(a) If the material facts as to such Member's or Officer's interest in such contract or transaction and as to any such common Membership, officership or financial interest are disclosed in good faith or known to the Members or a committee

thereof, and the Members or committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested or common Member or Officer; or

(b) If the material facts as to such Member's or Officer's interest in such contract or transaction and as to any such common directorship, membership, officership or financial interest are disclosed in good faith or known to the Members entitled to vote thereon, if any, and such contract or transaction is authorized by a vote of such Members. Common or interested Members may be counted in determining the presence of a quorum at a meeting of the Members or a committee thereof which authorizes such contract or transaction.

ARTICLE IV - EMPLOYEES

Section 1. Executive Director. The Agency shall employ an Executive Director. As the chief administrator of the Agency, the Executive Director shall perform the following duties:

- A. See that all plans, orders, directives, rules and contracts of the Agency are faithfully executed.
- B. Be responsible for all official correspondence of the Agency and sign all reports, forms, documents and records required of the Agency by any governmental body related to the work of the Agency.
- C. Present to the Members at their stated meetings all communications addressed to the Agency and report on action taken on same, unless action is required to be taken thereon by Members directly.
- D. Report on the status of all projects of the Agency at the stated meetings of the Agency.
- E. Countersign all checks of the Agency.
- F. When authorized by the Members, sign and execute, for and on behalf of the Agency, deeds conveying real property owned by the Agency to redevelopers, municipal agencies, public utilities or other appropriate grantees of such real property, contracts and agreements, and leases.
- G. Have the care and custody of and be responsible for all funds/and/or securities of the Agency and he shall deposit the funds of the Agency in such bank or trust company as the Agency may designate.
- H. Prescribe the form of vouchers to be used for rendering of services, travel expenses, and all other disbursements and for the certification of payrolls.

- I. Keep at the office of the Agency correct books of account of all its business and transactions and shall at all reasonable hours exhibit his books and accounts to any Member upon application at the office of the Agency during business hours.
- J. Such other duties as may be assigned by the Members.

Section 2. Other Employees. The Agency shall employ such other employees as the Members shall determine are necessary for the proper administration of the Agency.

Section 3. Employees - General. The Members shall determine the qualifications, duties and compensation of all officers, other than Members, and all employees, all of whom shall be subject to removal by the Agency.

Section 4. Bond. The Members shall determine by Resolution the employees, if any, who will be required to give the Agency an approved surety bond for the faithful discharge of their duties and the amount of such bond.

ARTICLE V - MEETINGS

Section 1. General Provisions. All annual and regular meetings of the Members shall be held at the principal office of the Agency, 51 Orchard Street, Roslyn Heights, NY, in the absence of the specific designation of some other meeting place in a resolution passed at a prior meeting. In the event that the date for any annual or regular meeting shall fall on a legal holiday, the meeting shall be held on the next succeeding secular day at the place and time designated in the Resolution.

Section 2. Annual Meetings. An annual meeting of the Members shall be held during April of each year at the principal office of the Agency. Notice of such annual meeting, stating the time, place and purpose thereof, shall be served either personally, by mail, by telecopier, or electronically upon each Member, at their last known address, telecopier number or electronic mail address, as the case may be, as supplied by the Member to the Secretary, not less than three (3) nor more than ten (10) days before the annual meeting. The Chair of the Agency shall preside at the Annual Meeting and present a report on the state of the Agency, and a financial report prepared by an independent public accountant or firm selected by the Members of the Agency, showing in appropriate detail the following:

- (1) the Agency's operations and accomplishments;
- (2) the Agency's financial reports, including (i) audited financials in accordance with all applicable regulations and following Government Accounting Standards Board principles, (ii) grants and subsidy programs, (iii) operating and financial risks, (iv) current ratings if any, of the Agency's bonds issued by recognized

municipal bond rating agencies and notice of changes in such ratings, and (v) long-term liabilities, including leases and employee benefit plans;

(3) the Agency's mission statement and measurements including the Agency's most recent measurement report;

(4) a schedule of the Agency's bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance that includes the date of issuance, term, amount, interest rate and means of repayment. Additionally, the debt schedule shall also include all refinancings, calls, refundings, defeasements and interest rate exchange or other such agreements, and for any debt issued during the reporting year, the schedule shall also include a detailed list of costs of issuance for such debt;

(5) a compensation schedule in addition to the report described in section twenty-eight hundred six of this title that shall include, by position, title and name of the person holding such position or title, the salary, compensation, allowance and/or benefits provided to any officer, Member or employee in a decision making or managerial position of the Agency whose salary is in excess of one hundred thousand dollars;

(5-a) biographical information, not including confidential personal information, for all Members and officers and employees for whom salary reporting is required under subparagraph five of this paragraph;

(6) the projects undertaken by the Agency during the past year;

(7) a listing and description, in addition to the report required by paragraph (a) of subdivision three of section twenty-eight hundred ninety-six of the Public Authorities Law of all real property of the Agency having an estimated fair market value in excess of fifteen thousand dollars that the Agency acquires or disposes of during such period. The report shall contain the price received or paid by the Agency and the name of the purchaser or seller for all such property sold or bought by the Agency during such period;

(8) the Agency's code of ethics;

(9) an assessment of the effectiveness of the Agency's internal control structure and procedures;

(10) a copy of the legislation that forms the statutory basis of the Agency;

(11) a description of the Agency and its board structure, including (i) names of committees and committee members, (ii) lists of Members meetings and

attendance, (iii) descriptions of major units of the Agency, subsidiaries, (iv) number of employees, and (v) organizational chart;

(12) the Agency's charter, if any, and by-laws;

(13) a listing of material changes in operations and programs during the reporting year;

(14) at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance;

(15) the Agency's board performance evaluations provided, however, that such evaluations shall not be subject to disclosure under article six of the public officers law;

(16) a description of the total amounts of assets, services or both assets and services bought or sold without competitive bidding, including (i) the nature of those assets and services, (ii) the names of the counterparties, and (iii) where the contract price for assets purchased exceeds fair market value, or where the contract price for assets sold is less than fair market value, a detailed explanation of the justification for making the purchase or sale without competitive bidding, and a certification by the Chief Executive Officer and chief Financial Officer of the Agency that they have reviewed the terms of such purchase or sale and determined that it complies with applicable law and procurement guidelines; and

(17) a description of any material pending litigation in which the Agency is involved as a party during the reporting year.

The annual report of the Members shall be filed with the records of the Agency, and either a copy or an abstract thereof entered in the minutes of the proceeding of the Annual Meeting of Members.

Section 3. Regular Meetings. A regular meeting of the Agency shall be held no fewer than seven (7) times per year, at 51 Orchard Street, Roslyn Heights, NY, the principal office of the Agency. Notice of each regular meeting shall be mailed to the Members at the address to which notices of annual meetings are sent, at least three (3) days before the date of such regular meeting.

Section 4. Special Meetings. Special meetings of the Agency may be called at any time by the Chairperson or Vice Chairperson or by a majority of the Members. Such special meetings shall be held at the time and place, if other than at the principal office of the Agency, specified in the notice of said meeting which shall be served either personally,

by mail, by telecopier, or electronically upon each Member, at their last known address, telecopier number or electronic mail address, as the case may be, as supplied by the Member to the Secretary, at least three (3) days before the date of such meeting.

The Notice or call for a special meeting shall set forth the object of the meeting and no other business may be transacted at such meeting except upon unanimous consent of all members of the Agency.

Section 5. Waiver of Notice. Whenever under the provisions of these By-Laws any Member is entitled to notice of any regular, special or other meeting of the Agency, or of any action to be taken by the Agency, such meeting may be held or such action may be taken without the giving of such notice, provided every Member entitled to such notice shall, in writing, waive the requirements of these By-Laws in respect thereto.

Waiver of notice may be written or electronic. If electronic, however, the transmission of the waiver must either set forth or be submitted with information from which it can reasonably be determined that the transmission was authorized by the Member.

Notwithstanding any provision of the foregoing sections, a meeting of the Members may be held at any time and at any place and any action may be taken thereat provided that every Member in writing waives the requirements of these By-Laws with respect to notice of said meeting and lapse of time.

Section 6. Quorum. At any meeting of the Agency, three (3) Members shall constitute a quorum. However, any one or more Members may participate in a meeting of Members by videoconference or similar communications equipment allowing all persons participating in the meeting to hear and see each other at the same time. Participation by such means shall constitute presence in person at a meeting for the satisfaction of quorum requirements.

Should a quorum not be present at any meeting, a lesser number may adjourn the meeting to some future time not more than seven (7) days later.

Section 7. Order of Business. At regular meetings of the Members, the following shall be the order of business:

- A. Reading and approval of the minutes of the previous meeting and any intervening special meeting
- B. At the option of the Chairperson or at the request of any Member, a Report of the Chairperson
- C. Report of the Executive Director
- D. Reports of Committees (if any)

- E. Old Business
- F. New Business
- G. Adjournment

Section 8. Rules of Order. Robert's Rules of Order shall prevail, except that there must be an affirmative vote of a majority of the Members (majority being not less than three (3) Members) to pass and carry any resolution or motion.

ARTICLE VI – COMMITTEES

Section 1. Standing Committees. The Members may, by resolution, establish and appoint Members to standing committees. Each standing committee shall consist of three or more Members, and, to the extent provided in the resolution establishing it, shall have the authority of the Members except as to:

- The filling of vacancies on any committee
 - The amendment or repeal of these By-Laws or the adoption of new by-laws
 - The amendment or repeal of any resolution of the Members which, by its terms, shall not be so amendable or repealable.
- A. Governance Committee: The Members will appoint a Governance Committee, to be comprised of not less than three Independent Members, who shall constitute a majority on the Governance Committee, and who shall possess the necessary skills to understand the duties and functions of the Governance Committee; provided, however, that in the event that the Members has less than three Independent Members, the Members may appoint non-Independent Members to the Governance Committee, provided that the Independent Members must constitute a majority of the members of the Governance Committee. The Governance Committee will: (1) keep the Members informed of current best governance practices; (2) review corporate governance trends; (3) to recommend updates the Agency's corporate governance principles; and (4) advise the Members on the skills and experiences required of potential Members. In addition, pursuant to the PARA, the Governance Committee shall examine ethical and conflicts of interest, perform board self-evaluations, and recommend by-laws which include rules and procedures for the conduct of board business as required by PARA.
- B. Audit Committee:
- i. The Members will appoint an Audit Committee, to be comprised of not less than three Independent Members, who shall constitute a majority on the Audit Committee, and who shall possess the necessary skills to understand the

duties and functions of the Audit Committee; provided, however, that in the event that the Members has less than three Independent Members, the Members may appoint non-Independent Members to the Audit Committee, provided that the Independent Members must constitute a majority of the members of the Audit Committee.

ii. To the extent practicable, Directors of the Audit Committee should be familiar with corporate financial and accounting practices.

iii. The Audit Committee will ensure that the Agency arranges for the timely preparation and appropriate filing of the annual budget, the annual financial statements, the annual financial reports and the annual financial audit required under the laws of New York State.

iv. The Audit Committee will recommend to the Members the hiring of a certified independent public accounting firm for the Agency, establish the compensation to be paid to the accounting firm, and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purpose. The Audit Committee will not recommend the hiring of a certified independent public accounting firm to provide audit services to the Agency if the Chief Executive Officer, comptroller, Chief Financial Officer, chief accounting officer, or any other person serving in an equivalent position for the Agency was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Agency during the one year period preceding the date of the initiation of the audit.

v. If the lead (or coordinating) audit partner (having primary responsibility for the audit) of the certified independent public accounting firm proposing to provide an annual independent audit for the Agency, or the audit partner responsible for reviewing the audit, has performed audit services for the Agency in each of the five previous fiscal years of the Agency, the Audit Committee will prohibit such certified independent public accounting firm from providing an annual independent audit for the Agency.

vi. The Audit Committee will require that each certified independent public accounting firm that performs for the Agency an audit required by law will timely report to the Audit Committee: (1) all critical accounting policies and practices to be used; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Agency, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm; and (3) other material written communications between the certified independent public accounting firm and the management of the Agency, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

vii. The Audit Committee will prohibit the certified independent public accounting firm providing an annual independent audit for the Agency from performing any non-audit services to the Agency contemporaneously with the audit, unless receiving previous written approval by the Audit Committee, including: (1) bookkeeping or other services related to the accounting records or financial statements of the Agency; (2) financial information systems design and implementation; (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions, (7) broker or dealer, investment advisor, or investment banking services; and (8) legal services and expert services unrelated to the audit.

Section 2. Special Committees. The Members may, by resolution, establish special committees of a limited duration, consisting of one or more Members, and having such powers as are specifically delegated to them by the Members, provided, that none of such powers are (i) within the jurisdiction of a standing committee, and (ii) prohibited from being delegated by the Members pursuant to Section 1 of this Article VI.

Section 3. Appointment.

(i) The Chairperson of all committees shall be appointed by the Members in consultation with the Executive Director. Committee Chairpersons shall be selected from among the Members. The Executive Director shall be an ex-officio member of the Members and of all its other committees.

(ii) Members. Committee members shall be appointed by the Members in consultation with the Executive Director.

Section 4. Reports. Each committee shall submit activity reports to the Members as prescribed in its commission

Section 5. Term Of Office. Each member of a committee shall continue as such until the next annual meeting or until his successor is appointed, unless the committee shall be sooner terminated, or unless a member shall resign, be removed or cease to qualify as a member thereof.

Section 6. Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment.

ARTICLE VII -AMENDMENTS

These By-Laws may be altered, amended, repealed or added to by the affirmative vote of a majority of the Members, at any meeting of the Members, provided that a notice shall

served either personally, by mail, by telecopier, or electronically upon each Member, at their last known address, telecopier number or electronic mail address, as the case may be, as supplied by the Member to the Secretary, at least three (3) days before the date of the meeting at which such amendment, alteration, or repeal of such By-Laws is to be considered; provided, however, that if an emergency shall arise which, in the judgment of a majority of the Members of the Agency, requires the immediate repeal, alteration or amendment of any section of the By-Laws, such change may be made temporarily at any meeting of the Agency and immediately following such meeting notice of such action shall be sent to any Member of the Agency not present at such meeting, together with notice that at the next regular meeting of the Agency such action shall be reviewed for confirmation, amendment or repeal. Any action taken by the Agency or its officers or employees, acting in good faith on such emergency order, shall be deemed the legal, valid and authorized act of the Agency.